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PP RUEHBZ RUEH DU RUEHJO RUEHMR RUEHRN  
DE RUEHSB #0044/01 0161011  
ZNR UUUUU ZZH  
P 161011Z JAN 09  
FM AMEMBASSY HARARE  
TO RUEHC/SECSTATE WASHDC PRIORITY 3939  
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
RUEHUJA/AMEMBASSY ABUJA 2168  
RUEHAR/AMEMBASSY ACCRA 2562  
RUEHDS/AMEMBASSY ADDIS ABABA 2684  
RUEHBY/AMEMBASSY CANBERRA 1953  
RUEHDK/AMEMBASSY DAKAR 2308  
RUEHKM/AMEMBASSY KAMPALA 2733  
RUEHNR/AMEMBASSY NAIROBI 5161  
RUEAIIA/CIA WASHDC  
RUEHGV/USMISSION GENEVA 1844  
RHEHAAA/NSC WASHDC  
RHMFISS/JOINT STAFF WASHDC  
RUEHC/DEPT OF LABOR WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEFDIA/DIA WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK  
RUZEHAA/CDR USEUCOM INTEL VAIHINGEN GE

UNCLAS SECTION 01 OF 02 HARARE 000044

SENSITIVE  
SIPDIS

AF/S FOR B. WALCH  
AF/EPS FOR ANN BREITER  
NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN  
STATE PASS TO USAID FOR L.DOBBS AND E.LOKEN  
TREASURY FOR D. PETERS  
COMMERCE FOR ROBERT TELCHIN  
ADDIS ABABA FOR USAU  
ADDIS ABABA FOR ACSS

E.O. 12958: N/A  
TAGS: [ABUD](#) [AMGT](#) [BEXP](#) [ECON](#) [ETRD](#) [ZI](#)  
SUBJECT: HARARE 2009 BFIF PROJECT PROPOSAL

REF: 08 STATE 128559

¶1. (U) Embassy Harare proposes to draw on the Business Facilitation and Incentive Fund (BFIF) to promote corporate governance in Zimbabwe.

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Support for Corporate Governance  
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¶2. (SBU) Post proposes providing financial support to the Institute of Directors of Zimbabwe (IDZ) to secure an international speaker on corporate governance at IoDZ,s Director of the Year Award ceremony -- the country,s most prestigious annual business event. In addition, the funding will support corporate governance workshops to be conducted on the following day by the guest speaker at Zimbabwe,s leading business organizations.

¶3. (U) IoD is a more than 100-year-old international organization based in the UK that promotes professionalism in the boardroom and an environment conducive to business success. In Zimbabwe, where it has 350 members, including directors of state-owned enterprises, IoD,s focus is on corporate governance and executive training.

¶4. (U) On April 2, 2009, IoDZ will hold its annual Director of the Year award ceremony, in which the Director of the Year will be announced in the categories of large and listed companies; small and medium enterprises; parastatals, NGOs and public sector enterprises; plus an overall winner. Candidates are identified and nominated by the business community and the winners are selected by a committee of eminent businessmen and women.

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The Corporate Governance/Public Governance Connection  
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¶15. (SBU) Post continues to regard the business community as a critical player in supporting economic and political reform. Within the business community, IoDZ plays an important role. It includes numerous directors who have supported the ruling party since the country's independence.

We saw in the past year, however, the extent to which business community support for the ruling party has eroded, when it backed a pro-business opposition candidate for president of Zimbabwe. The intense pressure bearing down on the government is now coming from the business community as well as the general populace.

¶16. (SBU) Post has sought to engage traditionally pro-ruling party business leaders in a series of lunches hosted by Ambassador McGee and at business organization roundtables where the Ambassador has presided as guest speaker. In the past year, Post supported IoDZ's corporate governance agenda. Ambassador McGee broke ground in 2008 in making the connection between corporate governance and public governance in an address to the IoDZ. We see the Director of the Year award ceremony as a vehicle for continuing to put reformist ideas in the public sphere. The Director of the Year award ceremony and opening address receive wide coverage in the government and independent press. We anticipate that the address will embolden public discussion about Zimbabwe's need

HARARE 00000044 002 OF 002

to start planning for the post-Mugabe era.

¶17. (SBU) In a time of economic distress in Zimbabwe, our financial support to the event would allow IoDZ to attract and pay for a more eminent corporate governance speaker than the organization could otherwise afford. Additionally, while political sensitivities would preclude public disclosure of our involvement, our support would bring us closer to IoDZ and the business community in general, and would place us in a position to exercise more influence with that sector.

¶18. (U) We are requesting US\$5,000 for costs of travel and remuneration for a speaker for two days. The amount could be less depending on where the speaker is from. Planning milestones are identification of potential speakers in Embassy coordination with IoDZ, and securing the organizational support of business groups such as the Confederation of Zimbabwe Industries (CZI), the Bankers' Association of Zimbabwe, the Employers' Confederation of Zimbabwe (EMCOZ), and the American Business Association of Zimbabwe (ABAZ) in conducting follow-on workshops.

¶19. (U) Post point of contact is econoff Frances Chisholm, 263-4-250-595, ext. 4337, chisholmfm@state.gov.

MCGEE